



Drive Shift

By Bill Lewis Nov/Dec 2009

Williamson County continues to make inroads in its attempts to woo automotive powerhouses away from traditional power bases

Williamson County isn't America's health care capital. Nashville is. And Williamson County isn't the capital of America's automobile industry. That's Detroit.



But many of Nashville's best-known health care businesses actually are headquartered in Williamson County, including the country's largest publicly traded hospital company. And Williamson County can boast an automotive distinction that not even Detroit can match. Nissan's relocation of its North American headquarters from Los Angeles to Franklin makes Williamson County the only place in America, outside the L.A. and New York-New Jersey regions, where a Pacific Rim automaker has located its U.S. headquarters.

The county's reputation as an automotive headquarters hot spot was reaffirmed when Hummer, the luxury sport utility vehicle maker being spun off by GM, publicly placed Williamson County on its short list of potential corporate locations before eventually selecting southeast Michigan.

It's no surprise that Hummer's new Chinese owner, the Sichuan Tengzhong Heavy Industrial Machinery Co., would consider Williamson County, says Matt Lagen, the county's economic development director. After all, in addition to Nissan, at least 26 other companies have their corporate offices in the county, including Tractor Supply, the farm and ranch retailer with more

than 800 stores in more than 40 states, and Community Health Systems, the country's largest publicly traded hospital company.

In addition, more than two dozen Fortune 500 companies have regional offices in the Corporate Centre office park adjacent to Nissan, says Bobby Zeiller, regional vice president for Crescent Resources. Crescent developed the Class-A office park and owned the land where Nissan placed its headquarters.

"The incentives we offer Hummer are the same we offer a guy opening his own company," says Largen, including a high school graduation rate of nearly 94% and property taxes in Franklin that haven't gone up for 21 years. (It's been seven years since the county's last tax increase.)

Good schools, low taxes and a comfortable lifestyle are some of the local incentives that convinced Nissan to move across the country and create 1,500 jobs at its new 460,000-square-foot headquarters in Cool Springs. Financial incentives also played a role in both Hummer's and Nissan's choice of a corporate home. Michigan is giving Hummer tax credits worth more than \$20 million. Once Nissan made it clear it was leaving Los Angeles, state economic development officials offered incentives worth \$197 million to attract the company to Tennessee. At that point, Williamson County's high quality of life and proximity to Nissan's manufacturing operations made it the logical choice.

"Why Williamson County?" asks Nissan spokeswoman Julie Lawless. "Really good schools, really good affordable housing, shopping, entertainment, proximity to Nashville and proximity to our manufacturing operations" in Decherd and Smyrna, she says.

"It's living the American dream," says Jason Holwerda, a leasing representative with Crescent Resources. "Three or four acres and an affordable mansion, and send your kids to good public schools."

Hummer was the latest international company to publicly consider making Williamson County its corporate home, but it won't be the last, Largen says.

"Having the only foreign-owned automobile headquarters outside of L.A. and the East Coast region has put us on many lists we wouldn't have been on," he says. "We are going to make this 'Corporate Row.'"

Williamson County has good reason to target jobs associated with corporate headquarters, says Largen.

"These are the kind of jobs that move a community forward," he says. "You have [corporate] decision makers living in your community, who are tied to your community."

When he announced that his company was considering Detroit and Williamson County, Hummer CEO Jim Taylor said he was interested in corporate locations where other auto companies were

having success. GM, Ford and Chrysler all have deep cultural and economic roots in Michigan. Williamson County made Taylor's short list because of Nissan.

Nissan's relocation represents a turning point for the automobile industry, says Lindsay Chappell, who covers the industry for *Automotive News*. Suddenly, Williamson County and other heartland communities far from the industry's traditional centers of power are serious contenders as headquarters locations.

"It's clear that what's happened since 2006 with Nissan's relocation of its headquarters is a thawing out of the old idea that automobile companies needed to be headquartered in Detroit, California or the New Jersey area," says Chappell, the magazine's Midsouth bureau chief, who is based in Brentwood.

The trend begun by Nissan is continuing, but slowly. The Big Three -- Ford, General Motors and Chrysler -- have long histories in Detroit. And even though all of them have factories in the South, most other European and Asian transplant automobile companies are still concentrated near the coasts. Mercedes, BMW and Toyota have their U.S. corporate offices in New York or New Jersey. Honda, Kia and Hyundai are in California.

One well-known transplant, though, has already followed Nissan south. In 2007, a year after Nissan's move to Tennessee, German car maker Volkswagen announced it was leaving the Detroit area and moving its U.S. corporate offices to the Virginia suburbs of Washington, D.C.

VW's move placed it closer to its newest factory, under construction in Chattanooga. Nissan's headquarters is even nearer to its factories in Decherd, where it makes engines, and in Smyrna, where it makes five models of cars and trucks in 5.4 million square feet of space. The company is adding 1.3 million square feet to manufacture batteries for its new LEAF electric car, which will be assembled in Smyrna.

"We were over 1,000 miles away" from the factories, says Nissan's Lawless. "Now we're 25 minutes away—just hop on [State Route] 840."

Hummer's Chinese owners are expected to continue making luxury SUVs in Shreveport, La.

Automobile companies have just one question when it comes to selecting a corporate location, says Chappell: "Where does it make the most sense for us to be?"

Until now, that has usually meant California for Pacific Rim companies such as Tengzhong, "where they could be as close to Hong Kong, Japan and Korea as you could be," says Chappell.

"Nissan broke the mold when they said we're not afraid of the rest of the United States," he says. "It will become increasingly common to see other Asian companies, not necessarily [just] auto companies, moving where it makes more sense. And it makes sense for them to be in an affordable, attractive city."